

ASSOCIATED PRESS

27 March 1985

**CASEY'S CAPITAL CITIES STOCK MAY GO IN TRUST**

BY WILLIAM M. WELCH

WASHINGTON (AP) - CIA Director William J. Casey said Wednesday he is willing to put his stock in a media conglomerate proposing to take over the ABC television network into a blind trust that was established for many of his other holdings in 1983.

In a statement issued by CIA headquarters, Casey said he has instructed his personal attorney, Leonard Silverstein, to work with the Office of Government Ethics to try to make the change.

"It is a matter of indifference to Mr. Casey whether that stock is in the (blind) trust or not," CIA spokeswoman Kathy Pherson said.

With Capital Cities planning to purchase ABC, the stock situation has raised questions about the director of Central Intelligence owning a large stake in one of the major television networks.

Casey's holdings in Capital Cities are worth as much as \$7.5 million but amount to only about one quarter of 1 percent of the company's stock, according to the Long Island newspaper Newsday.

Casey withheld the Capital Cities stock from his blind trust in 1983 because Government Ethics Office regulations don't permit such a trust to include a holding amounting to more than 20 percent of his entire portfolio, CIA spokeswoman Patti Volz said.

David H. Martin, director of the Office of Government Ethics, did not return a reporter's telephone calls. His assistant, Peter Andriole, asked if Casey's stock was not eligible for the blind trust, said: "The office has not made a statement yet." He declined to elaborate and referred questions to Martin.

White House spokesman Larry Speakes said he saw no problem with Casey holding the stock outside a blind trust, but declined to say whether he thought the CIA director should put the stock into a blind trust now that ABC is proposing the Capital Cities takeover.

"That's not a judgment that I'm required to make," Speakes said. "It's one for the Office of Government Ethics."

Casey's last financial disclosure form, filed May 15, 1984, lists holdings in Capital Cities stock by both himself and his wife. It is among several holdings apart from the blind trust Casey established under pressure from Congress in October 1983, following criticism of his stock dealings while heading the Central Intelligence Agency.

Casey said that he had not bought or sold any Capital Cities stock since the blind trust was established to head off potential conflicts of interest.

*Continued*